



April 6, 2001

ENGROSSED HOUSE BILL No. 1975

DIGEST OF HB 1975 (Updated April 4, 2001 10:30 PM - DI 52)

Citations Affected: Noncode.

Synopsis: Agricultural marketing and production contracts. Establishes an interim study committee to study agricultural marketing contracts and production contracts. Directs the committee to report to the governor and the legislative council by August 31, 2002.

Effective: Upon passage.

Friend, Grubb

(SENATE SPONSOR — HERSHMAN)

January 17, 2001, read first time and referred to Committee on Agriculture, Natural Resources and Rural Development.

February 27, 2001, amended, reported — Do Pass.

March 5, 2001, read second time, amended, ordered engrossed.

March 6, 2001, engrossed. Read third time, passed. Yeas 93, nays 3.

SENATE ACTION

March 15, 2001, read first time and referred to Committee on Agriculture and Small Business.

April 5, 2001, amended, reported favorably — Do Pass; reassigned to Committee on Rules and Legislative Procedure.

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EH 1975—LS 7140/DI 104+



April 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

ENGROSSED HOUSE BILL No. 1975

A BILL FOR AN ACT concerning agriculture and animals.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) As used in this
2 SECTION, "agricultural commodity" means livestock or grain
3 produced primarily for sale, consumption, propagation, or other
4 use by man or animals.

5 (b) As used in this SECTION, "committee" refers to the interim
6 study committee established by this SECTION.

7 (c) As used in this chapter, "marketing contract" means a
8 contract between a producer and a processor, except the
9 department of correction, regarding the purchase by the processor
10 of the producer's agricultural commodity.

11 (d) As used in this chapter, "production contract" means a
12 contract between:

13 (1) a producer and a processor, except the department of
14 correction, regarding the producer's production of the
15 processor's agricultural commodity; or

16 (2) two (2) producers regarding the production by one (1)
17 producer of the other producer's agricultural commodity.

18 (e) There is established the agricultural marketing and production

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1 contract committee.

2 (f) The committee consists of:

3 (1) two (2) members appointed by the speaker of the house of
4 representatives who are not members of the same political
5 party;

6 (2) two (2) members appointed by the president pro tempore
7 of the senate who are not members of the same political party;

8 (3) the following members, to be appointed by the governor
9 before September 1, 2001:

10 (A) Three (3) members representing producers of
11 agricultural commodities in the state.

12 (B) Three (3) members representing processors of
13 agricultural commodities in the state.

14 (g) The governor shall appoint one (1) of the members as the
15 chairperson of the committee.

16 (h) The legislative services agency shall staff the committee.

17 (i) The Indiana department of administration shall provide
18 facilities to carry out the responsibilities of the committee.

19 (j) Except as provided in subsection (m), the expenses of the
20 committee shall be paid from the appropriations made to the
21 commissioner of agriculture.

22 (k) Each member of the committee who is not a state employee
23 is not entitled to the minimum salary per diem provided by
24 IC 4-10-11-2.1(b). The member is, however, entitled to
25 reimbursement for traveling expenses as provided under
26 IC 4-13-1-4 and other expenses actually incurred in connection
27 with the member's duties, as provided in the state policies and
28 procedures established by the Indiana department of
29 administration and approved by the budget agency.

30 (l) Each member of the committee who is a state employee is
31 entitled to reimbursement for traveling expenses as provided under
32 IC 4-13-1-4 and other expenses actually incurred in connection
33 with the member's duties as provided in the state policies and
34 procedures established by the Indiana department of
35 administration and approved by the budget agency.

36 (m) Each member of the committee who is a member of the
37 general assembly is entitled to receive the same per diem, mileage,
38 and travel allowances paid to legislative members of interim study
39 committees established by the legislative council. Per diem,
40 mileage, and travel allowances paid under this subsection shall be
41 paid from appropriations made to the legislative council or the
42 legislative services agency.



1 (n) The affirmative votes of a majority of the members
2 appointed to the committee are required for the committee to take
3 action on any measure, including final reports.

4 (o) The committee shall complete a study of marketing contracts
5 and production contracts, including:

6 (1) the need for written contracts;

7 (2) the information to be disclosed by each party;

8 (3) appropriate provisions for:

9 (A) alternative dispute resolution;

10 (B) applicable law; and

11 (C) venue for actions concerning contracts; and

12 (4) appropriate terms of payment.

13 (p) The committee shall make its report not later than August
14 31, 2002, to:

15 (1) the governor; and

16 (2) the legislative council.

17 (q) The report from the committee must include:

18 (1) the results of the study; and

19 (2) legislative recommendations.

20 (r) This SECTION expires December 31, 2002.

21 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1975, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 11 through 16.

Page 1, line 17, delete "6" and insert "3".

Page 2, line 1, after "processor" insert ", **except the department of correction,**".

Page 2, delete lines 4 through 14.

Page 2, line 15, delete "10" and insert "4".

Page 2, line 17, after "processor" insert ", **except the department of correction,**".

Page 2, line 21, delete "11" and insert "5".

Page 2, line 23, delete ":".

Page 2, line 24, delete "(A)".

Page 2, line 24, delete "; or" and insert ".".

Page 2, run in lines 23 through 24.

Page 2, delete lines 25 through 30.

Page 2, between lines 39 and 40, begin a new line block indented and insert:

"(5) Include the following terms of payment:

(A) The basis of payment.

(B) The payment method.

(C) The payment schedule.

(D) The effect of change in market price on contract price, if any.

(E) The penalty for late payment.

(F) The assignability of payments.

(G) The decision whether payment may be made copayable to the producer's lender.

(H) The responsibility for payment of the paying party's parent company, if the paying party is a subsidiary company."

Page 2, delete lines 40 through 42.

Delete pages 3 through 7.

and when so amended that said bill do pass.

(Reference is to HB 1975 as introduced.)

LYTLE, Chair

Committee Vote: yeas 11, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1975 be amended to read as follows:

Page 2, after line 29 , begin a new paragraph and insert:

"Sec. 6. A producer may use for seed in subsequent crop years any grain grown from a commercially produced seed stock. Notwithstanding any other law, this right may not be waived by contract."

(Reference is to Hb 1975 as printed February 28, 2001.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Agriculture and Small Business, to which was referred House Bill No. 1975, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning agriculture and animals.

Page 1, delete lines 1 through 5, begin a new paragraph and insert:

"SECTION 1. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "agricultural commodity" means".**

Page 1, delete lines 8 through 10, begin a new paragraph and insert:

"(b) As used in this SECTION, "committee" refers to the interim study committee established by this SECTION."

Page 1, line 11, delete "Sec. 3." and insert "(c)".

Page 1, line 15, delete "Sec. 4." and insert "(d)".

Page 2, delete lines 5 through 33 and insert:

"(e) There is established the agricultural marketing and production contract committee.

(f) The committee consists of:

(1) two (2) members appointed by the speaker of the house of representatives who are not members of the same political party;

(2) two (2) members appointed by the president pro tempore of the senate who are not members of the same political party;

(3) the following members, to be appointed by the governor before September 1, 2001:

(A) Three (3) members representing producers of agricultural commodities in the state.

(B) Three (3) members representing processors of agricultural commodities in the state.

(g) The governor shall appoint one (1) of the members as the chairperson of the committee.

(h) The legislative services agency shall staff the committee.

(i) The Indiana department of administration shall provide facilities to carry out the responsibilities of the committee.

(j) Except as provided in subsection (m), the expenses of the committee shall be paid from the appropriations made to the commissioner of agriculture.

(k) Each member of the committee who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to

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reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties, as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(l) Each member of the committee who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(m) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(n) The affirmative votes of a majority of the members appointed to the committee are required for the committee to take action on any measure, including final reports.

(o) The committee shall complete a study of marketing contracts and production contracts, including:

- (1) the need for written contracts;
- (2) the information to be disclosed by each party;
- (3) appropriate provisions for:
 - (A) alternative dispute resolution;
 - (B) applicable law; and
 - (C) venue for actions concerning contracts; and
- (4) appropriate terms of payment.

(p) The committee shall make its report not later than August 31, 2002, to:

- (1) the governor; and
- (2) the legislative council.

(q) The report from the committee must include:

- (1) the results of the study; and
- (2) legislative recommendations.

(r) This SECTION expires December 31, 2002.



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SECTION 2. An emergency is declared for this act."

and when so amended that said bill do pass and be reassigned to the Senate Committee on Rules and Legislative Procedure.

(Reference is to HB 1975, as reprinted March 6, 2001.)

NUGENT, Chairperson

Committee Vote: Yeas 6, Nays 0.

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